



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
WASHINGTON, D.C. 20460

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

Fact Sheet: Recent EPA Mobile Source Imports Settlements (July 2006)

Over the past nine months, EPA has resolved twenty-three cases involving over 10,000 illegal importations of automobiles, motorcycles, generators, tractors, and construction equipment. This represents the latest in a recent surge of attempted importation of illegal engines and equipment, chiefly from China. In 2004, EPA took fifteen cases involving illegal imports, which jumped to forty-two in 2005. The declared value of these most recent illegal importations was over \$10 million. EPA has achieved nonjudicial settlements of these twenty-three cases for over \$800,000. Nearly all of the violators are small businesses and first time violators (counseling lesser penalties than would otherwise be the case). The civil penalties assessed by EPA were also in addition to the U.S. Customs civil penalties, the storage fees, the cost of exporting the illegal importations or correcting the violations, and the cost of implementing a compliance plan. Seventeen of the cases involved violations of the Nonroad Diesel Engine Regulations and/or the Nonroad Gasoline Engine Regulations, 40 C.F.R. Parts 89 and 90, respectively; four cases involved violations of the Emission Regulations for 1978 and Later New Motorcycles, 40 C.F.R. Part 86, Subpart E; and two cases involved violations of the Independent Commercial Importer Regulations (ICI), 40 C.F.R. Part 85. A brief synopsis of each case follows:

Violation of the Non-Road Diesel Engine Regulations, 40 C.F.R. Part 89 and/or the Non-Road Gasoline Engine Regulations, 40 C.F.R. Part 90

*New Scooters 4 Less:* New Scooters 4 Less of Gainesville, Florida, paid a civil penalty of \$3,600 for importing twenty-nine uncertified diesel generators. The small (5 kilowatt (kW) to 19 kW) generators were detained by U.S. Customs at the Port of Jacksonville, Florida on July 13, and July 22, 2005. New Scooters 4 Less initially declared that the generators were certified, and later claimed that the generators were for unregulated stationary use. The generators were required to be exported.

*Fisher Panda Generators:* Fisher Panda Generators of Oakland Park, Florida, paid a civil penalty of \$16,000 for importing eighty-two uncertified diesel generators. The generators were detained by U.S. Customs at Port Everglades, Florida, and the port of Miami, Florida in July and August 2005. The generators ranged in size between 4.2 kW to 69 kW. Fisher Panda Generators declared that the generators were for unregulated stationary use. The generators were required to either be modified to qualify as stationary engines and purchasers were required to sign statements that the engines would remain in a single location for 12 months or more or be exported.

*Kupey Auto Distributors, Inc.:* Kupey Auto Distributors, Inc. of Palmas Catano, Puerto Rico, agreed to pay a civil penalty of \$100,000 for importing 2,741 uncertified and unlabelled diesel and gasoline generators. The generators were seized by U.S. Customs at the port of San Juan, Puerto Rico during September 2005. Kupey Auto Distributors declared that a third of the generators were unregulated for use in a stationary setting. The smaller generators were required to be exported.

*Benron Perfume, LLC:* Benron Perfume, LLC (d/b/a Perfume Connection I) of Coconut Creek, Florida, paid a civil penalty of \$7,800 for importing 254 certified, but unlabelled gasoline generators. The generators were seized by U.S. Customs at Port Everglades, Florida on September 13, 2005. Benron was required to submit a compliance plan and install durable permanent emission labels.

*Bob and Nancy's Tools and Equipment Sales:* Bob and Nancy's Tools and Equipment Sales of Oakland Park, Florida, paid a penalty of \$12,000 to U.S. Customs for importing 62 generators equipped with uncertified engines. These generators were seized by U.S. Customs at Port Everglades, Florida on September 19, 2005. Bob and Nancy's Tools and Equipment Sales also agreed to either export or destroy the generators.

*Bits International Corporation:* Bits International Corporation of Melbourne, Florida, paid a civil penalty of \$7,000 for importing 260 certified gasoline generators that bore impermanent and incorrect emissions labels. The generators were seized by U.S. Customs at the port of Miami, Florida on October 14, 2005. Bits International was required to submit a compliance plan and install durable permanent correct emission labels.

*U-Brothers Equipment Co.:* U-Brothers Equipment Co., Ltd of Beachwood, Ohio, paid a civil penalty of \$43,000 to EPA, plus an additional penalty of \$43,000 to U.S. Customs, for importing seven uncertified and falsely labeled pieces of construction equipment that contained diesel engines. The U.S. Customs constructively seized the nonroad construction equipment at U-Brothers's facilities in Texas. U-Brothers will replace the uncertified engines with certified engines, and will export the uncertified engines once they are removed from the equipment.

*USA Tools, Inc.:* USA Tools, Inc. of Miami, Florida, agreed to pay a civil penalty of \$4,600 for importing 106 uncertified and improperly labeled diesel and gasoline generators and pumps. The small generators and pumps were detained by U.S. Customs at the port of Miami, Florida on December 8, 2005. USA Tools also agreed to either export or destroy the generators and pumps.

*I.M.I. Motorsports, Inc.:* I.M.I. Motorsports, Inc. of Dacono, Colorado, paid a civil penalty of \$9,294 for importing eighty-three uncertified and unlabeled gasoline and diesel generators. EPA discovered these violations through field inspections and a review of company records. I.M.I. Motorsports also agreed to either export or destroy the forty-five generators that are still in its possession.

*TYM-USA, Inc.:* TYM-USA, Inc. of Wilson, North Carolina, agreed to pay a civil penalty of \$62,000 for importing forty-three uncertified and unlabelled diesel tractors. Three of the tractors were seized by U.S. Customs at the port of Portland, Oregon on January 5, 2006. The tractors were required to be exported. TYM-USA, Inc. also agreed to import only certified engines in the future.

*Pramac Industries, Inc.:* Pramac Industries, Inc., of Medley, Florida, paid a civil penalty of \$10,500 to EPA, plus an additional penalty of \$7,650 to U.S. Customs, for importing 188 generators equipped with uncertified engines. The importer claimed that these generators were being imported solely for export, but the documentation submitted to U.S. Customs suggested that they were intended for sale in the U.S. These generators were seized by U.S. Customs at port of Fort Lauderdale, Florida on December 5, 2005. Pramac will either export or destroy the generators.

*HHU, Inc.:* HHU, Inc. (d/b/a Mazama Products) of Creswell, Oregon, paid a civil penalty of \$5,000 for importing ten uncertified diesel tractors. The tractors were constructively detained by U.S. Customs at the port of Portland, Oregon on December 15, 2004. HHU, Inc. will destroy the uncertified engines.

*Lenar Equipment, Inc.:* Lenar Equipment, Inc. of Creswell, Oregon, paid a civil penalty of \$3,500 for importing seven certified diesel tractors that bore impermanent and incorrect emissions labels. The tractors were detained by U.S. Customs at the port of Portland, Oregon on May 25, 2005. Lenar Equipment re-labeled the engines with durable, correct EPA emission labels.

*C.T.Q. Power U.S.A., Inc.:* C.T.Q. Power, Inc. of Sandusky, Ohio, paid a civil penalty of \$41,000 for importing 440 generators and water pumps equipped with uncertified engines, and another 220 water pumps equipped with engines lacking necessary EPA labels. This equipment was seized by U.S. Customs at the port of Savannah, Georgia on February 1, 2006. C.T.Q. Power will export the generators and pumps.

*Nasser Heavy Equipment, Inc.:* Nasser Heavy Equipment, Inc. (Nasser) agreed to pay a civil penalty of \$45,000 for importing two uncertified and unlabeled nonroad diesel trucks. The trucks were seized by U.S. Customs at the port of Savannah, Georgia on December 2, 2005. Nasser will export the trucks.

*UB2B, Inc.:* UB2B, Inc. of Secaucus, New Jersey, paid a civil penalty of \$14,600 for importing 500 chainsaws containing uncertified nonroad spark-ignition engines. The engines contained no labels or any other markings, as required by EPA regulations. These chainsaws were seized by U.S. Customs at Port Everglades, Florida on January 20, 2005. UB2B will export the chainsaws.

*Homelite Consumer Products, Inc. (Homelite) and Komatsu Zenoah America, Inc. (Komatsu Zenoah)* jointly agreed to pay a civil penalty of \$148,000 for importing and introducing into

commerce 5,760 uncertified nonroad gasoline engines contained primarily in string trimmers. Homelite and Komatsu Zenoah self-disclosed the violations to EPA and requested that EPA apply the Self-Audit Policy, “Incentives for Self-Policing: Discovery, Disclosure, Correction, and Prevention of Violations” 65 FR 19618, April 11, 2000, to resolve the case. The nonroad gasoline engines were manufactured in 2005 by Homelite Far East Co., Ltd. (Homelite Far East) under an expired 2004 Model Year Certificate of Conformity that had been issued to Homelite. Homelite Far East affixed emissions labels to the nonroad engines indicating that they were covered by a 2005 Model Year Certificate of Conformity and sold the engines to Komatsu Zenoah. Although, Homelite eventually obtained a 2005 Model Year Certificate of Conformity for the small gasoline nonroad engines, the certificate was not issued prior to the manufacture, importation, and introduction of the engines into commerce. Homelite and Komatsu Zenoah also agreed to implement a compliance plan.

Violation of the Emission Regulations for 1978 and Later New Motorcycles,  
40 C.F.R. Part 85

*Zongshen, Inc.:* Zongshen, Inc. of Miami, Florida, paid a civil penalty of \$45,000 for illegally importing eighty-three uncertified motorcycles. The motorcycles were seized by U.S. Customs at the port of Portland, Oregon on October 21, 2004. Zongshen will export or destroy the motorcycles and submit a compliance plan.

*Tank Sports, Inc.:* Tank Sports, Inc. of South El Monte, California, paid a civil penalty of \$23,000 for importing fifty-six motorcycles as unregulated motorcycles with an engine displacement less than 50 cc, and for importing twenty-two certified but unlabelled motorcycles. The motorcycles were seized by U.S. Customs at the ports of Baltimore, Maryland and San Juan, Puerto Rico during June 2005. The uncertified motorcycles were required to be exported and the certified motorcycles were required to be labeled.

*Tank Sports, Inc.:* Tank Sports, Inc. of South El Monte, California, also paid a second civil penalty of \$15,500 for importing ninety-four motorcycles that were unlabeled and technically uncertified. Although, the ninety-four motorcycles were identical to ones that Tank Sports had certified, the motorcycles were a different model number from those listed on Tank Sports’s certificate of conformity. The motorcycles were seized by U.S. Customs at the port of Miami, Florida on January 2, 2006. Tank Sports, Inc. will submit a compliance plan and export or destroy the motorcycles.

*Verucci Motorcycles, LLC:* Verucci Motorcycles, LLC, paid a civil penalty of \$18,200 for causing the importation of 161 certified motorcycles that did not bear the required EPA emissions label, and importing ninety-two motorcycles that were technically uncertified. The motorcycles were detained at the port of San Juan, Pureto Rico in June 2005. The motorcycles were required to be fitted with emission labels and Verucci amended its application for certification to include the missing models. Verucci agreed to submit a compliance plan.

Violation of the Independent Commercial Importer Regulations, 40 C.F.R. Part 85

*G & K Conversions, Inc.:* G & K Conversions, Inc. of Santa Ana, California, is an Independent

Commercial Importer (ICI) who does not own the vehicles, but for a fee imports uncertified vehicles and modifies and certifies the vehicles to comply with Federal emissions standards. G & K Conversions agreed to pay \$140,000 for illegally importing uncertified motor vehicles and failing to modify and certify 107 Mercedes SmartCars within 120 days of importation, and for certifying seven Nissan Skylines to a less stringent Federal emissions standard, and impermissibly using another ICI's certificate of conformity to import, modify and certify forty-two Ferrari motor vehicles and one Porsche motor vehicle. The settlement required G&K Conversions to submit to EPA a compliance plan, seek certification for the vehicles, and modify the vehicles within the regulatory time limits and the limits specified in the settlement agreement.

*Ferrari North America, Inc.:* Ferrari North America, Inc. of Englewood Cliffs, New Jersey, agreed to pay a civil penalty \$16,000 for illegally importing three racing cars. One of the racing cars was detained by U.S. Customs at Port Everglades, Florida on January 4, 2006. Although racing cars are unregulated vehicles, the importer must follow EPA's guidance and procedures before importing a racing vehicle. Moreover, the importer must obtain a racing exclusion from EPA for the vehicle, provide to EPA a notarized attestation that the vehicle will not be used on public roads or highways, import the vehicle as a racing vehicle by marking "code L" on the EPA Form 3520-1, and attach a copy of the EPA racing exclusion letter to the EPA Form 3520-1.

For more information on EPA mobile source imports settlements, see [US EPA Clean Air Act Mobile Source Importation Settlement Information](#) page.